

Free Care and Other Health Coverage Requirements

Med-Cal will not reimburse LEA providers for services provided to Medi-Cal recipients if the same services are offered for free to non-Medi-Cal recipients. LEA providers must use specific methods to ensure the care is not considered free, allowing Medi-Cal to be billed.

For LEA services provided to Medi-Cal eligible students to be reimbursable, the LEA must:

1. Establish a fee for each service provided (it could be sliding scale to accommodate individuals with low income);
2. Collect Other Health Coverage (OHC) information from all those served (Medi-Cal and non-Medi-Cal); and
3. Bill other responsible third party insurers.

The following chart clarifies when OHC insurers must be billed:

Insurance Status of Student	Services Provided to Students Authorized in an IEP/IFSP or Under Title V*	Eligible Services Provided to All Other Students
Medi-Cal Only	Bill Medi-Cal	Bill Medi-Cal
Medi-Cal and OHC	Bill OHC, then Medi-Cal	Bill OHC, then Medi-Cal
No Medi-Cal, has OHC	Don't have to bill OHC	Must bill OHC
No Medi-Cal, no OHC	Don't have to bill anyone	Don't have to bill anyone

* Title V of the *Social Security Act* – Grants for States for Maternal and Child Welfare

The LEA must request OHC information for all students served, obtain a 100 percent response rate, and bill OHC insurers of Medi-Cal and non-Medi-Cal students prior to billing Medi-Cal. For Medi-Cal eligible students, OHC information can be obtained from the data layout displayed during the Internet eligibility verification process. Additional information about this Medi-Cal Web site Internet option and ways to verify eligibility is available in the *Local Educational Agency (LEA): Eligible Students* section of this manual.

If any parent refuses to allow the OHC to be billed, and the LEA service is still provided, it is considered free care and precludes the LEA from billing Medi-Cal for that type of service to any student.

Example

Many schools have a school nurse on staff to provide necessary health services to all students without charging them for the care provided. The school must not bill Medi-Cal for LEA services provided by the school nurse that are not authorized in an IEP, IFSP or under Title V if the nurse provides LEA services to all students (not solely Medi-Cal eligible) without also billing OHC for non-Medi-Cal students.

Exceptions to the Free Care Requirement

Medi-Cal covered services provided under an IEP, IFSP or Title V are exempt from the free care requirement. Although the services are exempt from the free care requirement, the LEA provider still must bill OHC insurers of Medi-Cal students for reimbursement before billing Medi-Cal.

Example

A Medi-Cal eligible student with OHC is provided speech therapy that is documented in the student's IEP/IFSP. The LEA provider must pursue recovery from the OHC insurers for reimbursement before billing Medi-Cal.

State Mandated Assessments:
Not Reimbursable

LEAs are legally obligated to provide and pay for services that are mandated by state law, such as state mandated screenings. Services provided by LEAs that are mandated by state law are not reimbursable and must not be billed to Medi-Cal.

Examples

Example: A child is referred by a teacher for a vision assessment (outside of the mandated periodicity schedule) because he may not be seeing the blackboard clearly. Because the vision test is not mandated by state law, Medi-Cal may be billed for services rendered to this child if the LEA performs all of the following:

- Requests OHC information for all students served
- Obtains a 100 percent response rate
- Bills all OHC insurers of Medi-Cal and non-Medi-Cal children for this service

Example: An IEP child receives a non-IEP assessment that is mandated by state law. Medi-Cal must not be billed, because this assessment is state mandated and is given free of charge to any student.

Other Health
Coverage Denials

If the OHC carrier denies a claim, the denial notice is valid and may be submitted with Medi-Cal claims for one year from the date of the denial for that student and procedure. LEA providers are subject to the same denial criteria as other Medi-Cal providers. That is, a claim will be processed by the Fiscal Intermediary only if the denial reason listed on the *Explanation of Benefits* (EOB) or denial letter is a valid denial reason according to Medi-Cal standards.

Legitimate denial reasons may include, but are not limited to:

- Service not covered
- Patient not covered
- Deductible not met

Non-legitimate denial reasons generally involve improper billing, such as submitting a late, incorrect or illegible claim.

To assist LEAs in documenting non-coverage of LEA services by OHC insurers, the California Department of Health Services (CDHS) conducted an OHC Survey to obtain information about the scope of benefits provided for services rendered by LEAs. Survey results and instructions for documenting legitimate denials and non-coverage of services are available at the LEA Program Web site, www.dhs.ca.gov/LEA.

The following provider manual sections contain OHC codes, information about identifying student OHC and other general OHC billing information that LEAs need to submit Medi-Cal claims:

- *Other Health Coverage (OHC) Codes Chart* in the Part 1 manual
- *Other Health Coverage (OHC) Guidelines for Billing* in the Part 1 manual
- *Other Health Coverage (OHC)* section in this manual